



Florida House of Representatives

HOUSE MAJORITY OFFICE

402 South Monroe Street
Tallahassee, Florida
32399-1300

Adam Hasner
Majority Leader

322 The Capitol
(850) 488-1993

FOR IMMEDIATE RELEASE
April 24, 2009

CONTACT: Joseph Agostini
(850) 488-1993

HOUSE PASSES MEASURE THAT PROTECTS CITIZENS' CUSTOMERS FROM SIGNIFICANT RATE INCREASES

~Rates lowered in anticipation of dramatic rate increase scheduled for January 1, 2010~

TALLAHASSEE, FL – Comprehensive legislation to prevent significant rate increases for Citizens' customers and ensure a more sustainable property insurance market in Florida passed the House today. House Bill (HB) 1495 by Representative Bryan Nelson (R-Apopka) lowers rates for Citizens' policyholders in anticipation of the mandated expiration of the current rate freeze. If the Legislature does not pass this measure, then Citizens' customers are likely to face dramatic overall average statewide rate increases that could exceed 140 percent for some types of policies.

"Citizens' rates have to be brought to actuarially sound levels to prevent Citizens from going bankrupt, but we don't have to break the bank for policyholders to reach these necessary levels," said Representative Nelson. "This legislation brings rates to actuarially sound levels gradually and will protect Florida's taxpayers' from potentially devastating policy assessments or tax increases in the future," Nelson said.

Under current law, the Citizens' rate freeze currently in effect will expire and Citizens is required to implement actuarially sound rates beginning January 1, 2010. Citizens has estimated that in order to meet this statutory requirement, rates for Citizens' customers overall on average statewide would increase in excess of 40 percent for personal residential multi-peril policies, 55 percent for personal residential wind-only policies, 60 percent for commercial residential wind-only policies and 140 percent for commercial non-residential policies.

More information about this legislation can be found at www.housemajorityoffice.com under the "Majority Memos" link.

###